

Rec'd 5/15/86

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## CHANGES RELATING TO CENTRAL INTELLIGENCE AGENCY

(Page and line references are keyed to draft of May 12, 1986)

Page 51, line 11, strike ``and`` and all that follows through ``multiplied by`` on line 12, and insert the following: ``military reserve technicians, and employees under sections 302 and 303 of the Central Intelligence Agency Retirement Act of 1964 for Certain Employees, multiplied by``. ✓

Page 94, strike line 16 and insert the following: ``the Office, and to the extent considered appropriate by the Director of Central Intelligence--``.

Page 94, strike ``and`` at the end of line 25 and all that follows through line 8 on page 95, and insert the following:

- 1       ``(E) authorize and direct disbursements from the
- 2       Fund to the extent based on service of such employees;
- 3       and
- 4       ``(F) perform such other functions under this chapter
- 5       relating to employees of the Central Intelligence Agency
- 6       as the Director of Central Intelligence, in consultation
- 7       with the Director of the Office of Personnel Management,

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1 determines to be appropriate.

2 `` (2) The Director of the Office of Personnel Management  
3 shall furnish such information and, on a reimbursable basis,  
4 such services to the Director of Central Intelligence as the  
5 Director of Central Intelligence requests to carry out  
6 paragraph (1).

7 `` (k)(1) The Director of Central Intelligence, in  
8 consultation with the Executive Director of the Federal  
9 Retirement Thrift Investment Board, may--

10 `` (A) maintain exclusive records relating to  
11 elections, contributions, and accounts under the Thrift  
12 Savings Plan provided in subchapter III of this chapter.  
13 in the case of employees of the Central Intelligence  
14 Agency;

15 `` (B) provide that contributions by, or on behalf of,  
16 such employees to the Thrift Savings Plan be accounted  
17 for by such Executive Director in aggregate amounts; and

18 `` (C) make the necessary disbursements from, and the  
19 necessary allocations of earnings, losses, and charges  
20 to, individual accounts of such employees under the  
21 Thrift Savings Plan.

22 `` (2) The Executive Director of the Federal Retirement  
23 Thrift Investment Board may not exercise authority under this  
24 chapter in the case of employees of the Central Intelligence  
25 Agency to the extent that the Director of Central

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1 Intelligence exercises authority provided in paragraph (1).

2     “(3) The Executive Director of the Federal Retirement  
3 Thrift Investment Board shall furnish such information and,  
4 on a reimbursable basis, such services to the Director of  
5 Central Intelligence as the Director of Central Intelligence  
6 determines necessary to carry out this subsection.

7     “(1) Subsection (h)(1), and sections 8439(b) and  
8 8474(c)(4), shall be applied with respect to information  
9 relating to employees of the Central Intelligence Agency in a  
10 manner that protects intelligence sources, methods, and  
11 activities.

12     “(m)(1) The Director of Central Intelligence, in  
13 consultation with the Director of the Office of Personnel  
14 Management, shall by regulation prescribe appropriate  
15 procedures to carry out subsections (j), (k), and (l).

16     “(2) The regulations shall provide procedures for the  
17 Director of the Office of Personnel Management to inspect and  
18 audit disbursements from the Fund under this chapter..

19     “(3) The Director of Central Intelligence shall submit  
20 the regulations prescribed under paragraph (1) to the Select  
21 Committee on Intelligence of the Senate and the Permanent  
22 Select Committee on Intelligence of the House of  
23 Representatives before the regulations take effect.”.

Page 125, strike line 18, and insert the following:     “by

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the Office, and to the extent considered appropriate by the Director of Central Intelligence--''.

Page 126, strike ``and`` at the end of line 2 and all that follows through line 10, and insert the following:

1       ``(E) authorize and direct disbursements from the  
2       Fund to the extent based on service of such employees;  
3       and  
4       ``(F) perform such other functions under this  
5       subchapter as the Director of Central Intelligence, in  
6       consultation with the Director of the Office of Personnel  
7       Management, determines to be appropriate.  
8       ``(2) The Director of the Office of Personnel Management  
9       shall furnish such information and, on a reimbursable basis,  
10      such services to the Director of Central Intelligence as the  
11      Director of Central Intelligence requests to carry out  
12      paragraph (1) of this subsection.  
13      ``(3)(A) The Director of Central Intelligence, in  
14      consultation with the Director of the Office of Personnel  
15      Management, shall by regulation prescribe appropriate  
16      procedures to carry out this subsection.  
17      ``(B) The regulations shall provide procedures for the  
18      Director of the Office of Personnel Management to inspect and  
19      audit disbursements from the Civil Service Retirement and

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1 Disability Fund under this subchapter.

2     “(C) The Director of Central Intelligence shall submit  
3 the regulations prescribed under subparagraph (A) to the  
4 Select Committee on Intelligence of the Senate and the  
5 Permanent Select Committee on Intelligence of the House of  
6 Representatives before the regulations take effect.

7     “(4)(A) Section 201(c) of the Central Intelligence  
8 Agency Retirement Act of 1964 for Certain Employees shall  
9 apply in the administration of this subchapter to the extent  
10 that the provisions of this subchapter are administered under  
11 this subsection.

12     “(B) Notwithstanding subparagraph (A) of this paragraph,  
13 section 8347(d) of this title shall apply with respect to  
14 employees of the Central Intelligence Agency who are subject  
15 to the Civil Service Retirement System.”.

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1 TITLE V--CENTRAL INTELLIGENCE AGENCY RETIREMENT AND RELATED  
2 MATTERS

3 SEC. 501. REFERENCES.

4 The Central Intelligence Agency Retirement Act of 1964  
5 for Certain Employees (78 Stat. 1043; 50 U.S.C. 403 note) is  
6 amended--

7 (1) in section 201(c), by inserting "(except section  
8 305(d) of this Act)" after "or any other provisions of  
9 law";

10 (2) by striking out "this Act" each place it  
11 appears in title II except in sections 201 and 264, and  
12 inserting in lieu thereof "this title"; and

13 (3) by inserting "under this title" after "payable  
14 from the fund" each place it appears in title II.

15 SEC. 502. CONTRIBUTIONS TO THE CENTRAL INTELLIGENCE AGENCY  
16 RETIREMENT AND DISABILITY SYSTEM.

17 Section 211 of the Central Intelligence Agency Retirement  
18 Act of 1964 for Certain Employees is amended--

19 (1) by striking out "Seven" in the first sentence  
20 of subsection (a) and inserting in lieu thereof "Except  
21 as provided in subsection (d), seven"; and

22 (2) by adding at the end thereof the following new  
23 subsection (d):

24 "(d)(1) In the case of a participant who was a  
25 participant subject to this title before January 1, 1984, and

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1 whose service--

2       “(A) is employment for the purposes of title II of  
3 the Social Security Act and chapter 21 of the Internal  
4 Revenue Code of 1954, and

5       “(B) is not creditable service for any purpose under  
6 title III of this Act or chapter 84 of title 5, United  
7 States Code,

8 there shall be deducted and withheld from the basic pay of  
9 the participant under this subsection during any pay period  
10 only the amount computed pursuant to paragraph (2).

11       “(2) The amount deducted and withheld from the basic pay  
12 of a participant during any pay period pursuant to paragraph  
13 (1) shall be the excess of--

14       “(A) the amount determined by multiplying the  
15 percent applicable to the participant under subsection  
16 (a) by the basic pay payable to the participant for such  
17 pay period, over

18       “(B) the amount of the taxes deducted and withheld  
19 from such basic pay under section 3101(a) of the Internal  
20 Revenue Code of 1954 (relating to old-age, survivors, and  
21 disability insurance) for such pay period.”.

22 SEC. 503. OFFSET OF ANNUITY BY THE AMOUNT OF SOCIAL SECURITY  
23 BENEFITS.

24 Section 221 of the Central Intelligence Agency Retirement  
25 Act of 1964 for Certain Employees is amended by adding at the

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1 end thereof the following new subsection:

2       “(p)(1) Notwithstanding any other provision of this  
3 title, except as provided in paragraph (2), an annuity  
4 (including a disability annuity) payable under this title to  
5 an individual described in section 301(c)(1) and an survivor  
6 annuity payable under this title on the basis of the service  
7 of such individual shall be reduced in a manner consistent  
8 with section [8349] of title 5, United States Code, under  
9 conditions consistent with the conditions prescribed in such  
10 section.

11       “(2) This section shall not apply with respect to any  
12 annuity, or survivor annuity, which is based on the service  
13 of an individual described in section 301(c)(2).”.

14 SEC. 504. THRIFT SAVINGS FUND PARTICIPATION BY PARTICIPANTS  
15               IN THE CENTRAL INTELLIGENCE AGENCY RETIREMENT  
16               AND DISABILITY SYSTEM.

17       Part K of title II of the Central Intelligence Agency  
18 Retirement Act of 1964 for Certain Employees is amended by  
19 adding at the end thereof the following new section:

20       “THRIFT SAVINGS FUND PARTICIPATION BY PARTICIPANTS IN THE  
21 CENTRAL INTELLIGENCE AGENCY RETIREMENT AND DISABILITY SYSTEM

22       “Sec. 293. (a) Participants in the Central Intelligence  
23 Agency Retirement and Disability System shall be deemed to be  
24 employees for the purposes of section [8351] of title 5,  
25 United States Code.



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1       “(b) Section 305 of this Act shall apply with respect to  
2 contributions made by officers and employees of the Agency to  
3 the Thrift Savings Fund under section [8351] of title 5,  
4 United States Code, and to earnings attributable to the  
5 investment of such contributions.”.

6 SEC. 505. ALTERNATIVE FORMS OF ANNUITIES.

7       Part K of title II of the Central Intelligence Agency  
8 Retirement Act of 1964 for Certain Employees (as amended by  
9 section 504 of this Act) is further amended by adding at the  
10 end thereof the following new section:

11               “ALTERNATIVE FORMS OF ANNUITIES

12       “Sec. 294. (a) The Director shall prescribe regulations  
13 under which an officer or employee of the Agency may, at the  
14 time of retiring under this title (other than under section  
15 231), elect annuity benefits under this section instead of  
16 any other benefits under this title (including any survivor  
17 benefits under this title) based on the service of the  
18 officer or employee creditable under this title. The  
19 regulations and alternatives shall, to the maximum extent  
20 practicable, meet the requirements prescribed in section  
21 [8343a] of title 5, United States Code.

22       “(b) The Director shall submit the regulations  
23 prescribed under subsection (a) to the Select Committee on  
24 Intelligence of the Senate and the Permanent Select Committee  
25 on Intelligence of the House of Representatives before the

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1 regulations take effect.''.  
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3 SEC. 506. PARTICIPATION IN THE FEDERAL EMPLOYEES' RETIREMENT  
4 SYSTEM.

5 The Central Intelligence Agency Retirement Act of 1964  
6 for Certain Employees is amended by adding at the end thereof  
7 the following:

8 ''TITLE III--PARTICIPATION IN THE FEDERAL EMPLOYEES'  
9 RETIREMENT SYSTEM

10 ''APPLICATION OF FEDERAL EMPLOYEES' RETIREMENT SYSTEM TO  
11 AGENCY EMPLOYEES

12 ''Sec. 301. (a) Except as provided in subsection (b) and  
13 (c), all officers and employees of the Agency, any of whose  
14 service after December 31, 1983, is employment for the  
15 purpose of title II of the Social Security Act and chapter 21  
16 of the Internal Revenue Code of 1954, shall be subject to  
17 chapter 84 of title 5, United States Code.

18 ''(b) Participants in the Central Intelligence Agency  
19 Retirement and Disability System who were participants in  
20 such system on or before December 31, 1983, and who have not  
21 had a break in service in excess of 1 year since that date,  
22 are not subject to chapter 84 of title 5, United States Code,  
23 without regard to whether they are subject to title II of the  
24 Social Security Act.

25 ''(c)(1) The provisions of chapter 84 of title 5, United  
States Code, shall not apply with respect to--

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1           “(A) any individual who separates, or who has  
2       separated, from Federal Government service after having  
3       been an officer or employee of the Agency subject to  
4       title II of this Act; and

5           “(B) any officer or employee of the Agency having at  
6       least 5 years of civilian service which was performed  
7       before January 1, 1987, and is creditable under title II  
8       of this Act (determined without regard to any deposit or  
9       redesign requirement under subchapter III of chapter 83  
10      of title 5, United States Code, or under title II of this  
11      Act, or any requirement that the individual become  
12      subject to such subchapter or to title II of this Act  
13      after performing the service involved).

14          “(2) Paragraph (1) shall not apply with respect to an  
15      individual who has elected under regulations prescribed under  
16      section 307 of this Act to become subject to chapter 84 of  
17      title 5, United States Code, to the extent provided in such  
18      regulations.

19          “(3) An individual described in paragraph (1) shall be  
20      deemed to be an individual excluded under section  
21      [8402(b)(2)] of title 5, United States Code.

22          “(d) The application of the provisions of chapter 84 of  
23      title 5, United States Code, to officers and employees  
24      referred to in subsection (a) shall be subject to the  
25      exceptions and special rules provided in this title. Any

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1 provision of such chapter which is inconsistent with a  
2 special rule provided in this title shall not apply to such  
3 officers and employees.

4 ``SPECIAL RULES RELATING TO SECTION 203 CRITERIA EMPLOYEES

5 ``Sec. 302. (a) Except as otherwise provided in this  
6 section, in the application of chapter 84 of title 5, United  
7 States Code, to an officer or employee of the Agency who is  
8 subject to such chapter and is designated by the Director  
9 under the criteria prescribed in section 203, such officer or  
10 employee shall be treated for purposes of determining such  
11 officer's or employee's retirement benefits and obligations  
12 under such chapter as if the officer or employee were a law  
13 enforcement officer (as defined in section [8401(17)] of  
14 title 5, United States Code).

15 `` (b) The provisions of sections 233 and 235 of this Act  
16 shall apply to officers and employees referred to in  
17 subsection (a), except that the retirement benefits shall be  
18 determined under the provisions of chapter 84 of title 5,  
19 United States Code.

20 `` (c)(1) Except as provided in paragraph (2), section 271  
21 of this Act shall apply to an officer or employee referred to  
22 in subsection (a).

23 `` (2) Contributions during recall service shall be made  
24 as provided in section [8422] of title 5, United States Code.

25 `` (3) When an officer or employee recalled under this

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1 subsection reverts to a retired status, the annuity of such  
2 officer or employee shall be redetermined under the  
3 provisions of chapter 84 of title 5, United States Code.

4 ``SPECIAL RULES FOR OTHER EMPLOYEES FOR SERVICE ABROAD

5 ``Sec. 303. (a) Notwithstanding any provision of chapter  
6 84 of title 5, United States Code, the annuity under  
7 subchapter II of such chapter of a retired officer or  
8 employee of the Agency who is not designated under section  
9 302(a) of this Act and has served abroad as an officer or  
10 employee of the Agency shall be computed as provided in  
11 subsection (b).

12 `` (b)(1) The portion of the annuity relating to service  
13 abroad performed on or after the effective date of the  
14 Federal Employees' Retirement System Act of 1986 shall be  
15 computed as provided in section [8415(d)] of title 5, United  
16 States Code.

17 `` (2) The portions of the annuity relating to other  
18 service in the Agency shall be computed as provided in the  
19 provision of section [8415] of such title that is applicable  
20 to such service under the conditions prescribed in chapter 84  
21 of such title.

22 ``SPECIAL RULES FOR FORMER SPOUSES

23 ``Sec. 304. (a) Section [8445] of title 5, United States  
24 Code, and [subsections (d) and (e) of section 8435] of such  
25 title shall not apply in the case of an officer or employee

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1 of the Agency who is subject to chapter 84 of title 5, United  
2 States Code, who has a former spouse (as defined in section  
3 204(b)(4) of this Act). Any reference in such chapter to a  
4 survivor annuity for a former spouse, as applied to such  
5 officer or employee, shall be deemed to refer to a survivor  
6 annuity for a former spouse of such officer or employee  
7 provided under subsection (c) of this section.

8 "(b) Section 221(b)(1)(C) of this Act shall apply to a  
9 survivor annuity under subsection (c)(2) of this section.

10 "(c) Except as otherwise provided in this section, the  
11 following provisions of title II of this Act shall apply in  
12 the case of an officer or employee of the Agency who is  
13 entitled to receive an annuity under subchapter II, III, or V  
14 of chapter 84 of title 5, United States Code, in the same  
15 manner as such provisions apply in the case of an officer or  
16 employee of the Agency under title II:

17 "(1) Section 222, except that subsections (b) and  
18 (c) of such section shall be subject to a waiver under  
19 subsection (b) of this section.

20 "(2) Subsections (a), (b)(1), and (b)(3) of section  
21 223 and the first sentence of subsection (c) of such  
22 section.

23 "(3) Subsections (c) and (d) of section 234 (in the  
24 case of any lump-sum payment under section [8424(a)] of  
25 title 5, United States Code, and any payment under

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1 subsection (b)(3), (b)(4), (c)(3), (c)(4), or (d) of  
2 section [8433] of such title).

3 "(4) Section 263(b).

4 "(d) In the application of section 222(a) under  
5 subsection (c)(1)--

6 "(1) the reference in paragraph (4)(B) of such  
7 section to section 271, 272, or 273 of this Act shall be  
8 deemed to refer to any similar provision of law  
9 applicable to such officer or employee for purposes of  
10 chapter 84 of title 5, United States Code;

11 "(2) the amount of the reduction in the salary of a  
12 recalled or reinstated officer or employee under such  
13 paragraph (4)(B) shall be only the amount by which the  
14 annuity under subchapter II or V of chapter 84 of title  
15 5, United States Code, would have been reduced; and

16 "(3) amounts to be deposited in the Treasury of the  
17 United States pursuant to such paragraph (4)(B) shall be  
18 credited to the Civil Service Retirement and Disability  
19 Fund.

20 "(e) In the application of subsections (b) and (c) of  
21 section 222 under subsection (c)(2)--

22 "(1) the percentage prescribed in subsections  
23 (b)(1)(A), (b)(1)(B), (b)(4)(A), and (c)(2) of such  
24 section shall be deemed to be 50 percent;

25 "(2) for the purpose of computing the amount of the

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1 former spouse's annuity under subsection (b)(1) of such  
2 section and the maximum amount of survivor annuities  
3 under subsection (b)(4) or (c)(2) of such section, the  
4 full amount of the deceased officer's or employee's  
5 annuity--

6 "(A) in the case of an annuity under subchapter  
7 II or V of chapter 84 of title 5, United States Code,  
8 is the amount of such annuity computed without regard  
9 to the reduction for survivor annuities; and

10 "(B) in the case of an annuity under subchapter  
11 III of such chapter, is the amount of such annuity  
12 computed on an actuarial basis as provided in such  
13 subchapter taking into account the application of  
14 section 222(b)(1) in the case of such annuity;

15 "(3) an election under subsection (b)(5)(B) of such  
16 section shall apply with respect to a survivor annuity  
17 for a spouse under section [8442] of title 5, United  
18 States Code;

19 "(4) the reference in subsection (c)(2) of such  
20 section to a survivor annuity for a spouse shall be  
21 deemed to refer--

22 "(A) in the case of an annuity under subchapter  
23 II or V of chapter 84 of title 5, United States Code,  
24 to the survivor annuity provided in section [8442] of  
25 title 5, United States Code; and



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1           “(B) in the case of an annuity under subchapter  
2           III of such chapter, to the survivor annuity  
3           described in section [8435(c)] of such title; and

4           “(5) the fund referred to in subsections (c)(3)(A)  
5           and (c)(3)(B) of such section shall be deemed to refer--

6           “(A) in the case of an annuity under subchapter  
7           II or V of chapter 84 of title 5, United States Code,  
8           to the Civil Service Retirement and Disability Fund;  
9           and

10           “(B) in the case of an annuity under subchapter  
11           III of such chapter, the Thrift Savings Fund  
12           established by section [8437] of such title.

13           “(f) A reduction in the annuity of an officer or  
14           employee of the Agency to provide a survivor annuity or  
15           survivor annuities under this section shall be computed as  
16           provided in section [8419(a)] of title 5, United States Code.

17           “(g) The entitlement of a former spouse to a portion of  
18           an annuity of a retired officer or employee of the Agency  
19           under this section shall extend to any supplementary annuity  
20           payment that such officer or employee is entitled to receive  
21           under section [8421] of title 5, United States Code.

22                        “ADMINISTRATIVE PROVISIONS

23           “Sec. 305. (a) Section 201(c) of this Act shall apply in  
24           the administration of chapter 84 of title 5, United States  
25           Code, with respect to officers and employees of the Agency.

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1       “(b) Notwithstanding subsection (a), section [8461(e)]  
2 of title 5, United States Code, shall apply with respect to  
3 officers and employees of the Agency who are not participants  
4 in the Central Intelligence Agency Retirement and Disability  
5 System and are not designated under section 302(a) of this  
6 Act.

7                       “REGULATIONS

8       “Sec. 306. (a) The Director, in consultation with the  
9 Director of the Office of Personnel Management and the  
10 Executive Director of the Federal Retirement Thrift  
11 Investment Board, shall prescribe in regulations appropriate  
12 procedures to carry out this title.

13       “(b) The regulations shall include procedures for the  
14 Director of the Office of Personnel Management to inspect and  
15 audit disbursements from the Civil Service Retirement and  
16 Disability Fund.

17       “(c) The Director shall submit the regulations  
18 prescribed under subsection (a) to the Select Committee on  
19 Intelligence of the Senate and the Permanent Select Committee  
20 on Intelligence of the House of Representatives before the  
21 regulations take effect.

22                       “TRANSITION PROVISIONS

23       “Sec. 307. (a) The Director shall issue regulations  
24 providing for the transition from the Central Intelligence  
25 Agency Retirement and Disability System to the Federal

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1 Employees' Retirement System provided in chapter 84 of title  
2 5, United States Code, in a manner consistent with sections  
3 301 through 304 of the Federal Employees' Retirement System  
4 Act of 1986.

5 "(b) The Director shall submit the regulations  
6 prescribed under subsection (a) to the Select Committee on  
7 Intelligence of the Senate and the Permanent Select Committee  
8 on Intelligence of the House of Representatives before the  
9 regulations take effect."

10 SEC. 507. SPECIAL RETIREMENT ACCRUAL FOR OTHER INTELLIGENCE  
11 PERSONNEL.

12 (a) Certain National Security Agency Personnel.--Section  
13 9(b)(1)(B) of the National Security Agency Act of 1959 (50  
14 U.S.C. 402 note) is amended by inserting before the semicolon  
15 the following: "(including special retirement accrual in the  
16 same manner provided in section 303 of the Central  
17 Intelligence Agency Retirement Act of 1964 for Certain  
18 Employees (50 U.S.C. 403 note))".

19 (b) Certain Defense Intelligence Agency Personnel.--  
20 Section 1605(a) of title 10, United States Code, is amended  
21 by adding at the end thereof the following: "The Secretary  
22 may also provide to any such civilian personnel who are  
23 subject to chapter 84 of title 5, special retirement accrual  
24 benefits in the same manner provided for certain officers and  
25 employees of the Central Intelligence Agency in section 303

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1 of the Central Intelligence Agency Retirement Act of 1964 for  
2 Certain Employees (50 U.S.C. 403 note).''.